## FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

9 SEP 1992

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ROM 222 No. IN REPLY REFER TO:

ORIGINAL /

Stop Code 1600A2 IC-92-09372 9202472

Honorable Wayne Owens House of Representatives 1728 Longworth House Office Building Washington, D.C. 20515

Dear Congressman Owens:

Thank you for your letter on behalf of Mr. Craig N. Johnson of Tataka in Salt Lake City, Utah regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to charge the way local telephone companies handle certain operator service carro. By have received a previous congressional inquiry on Mr. Johnson's behatter way local telephone companies handle certain operator service calls. We also

Currently, if a caller places a "0+" operator services call (that is the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from whith the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on longdistance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services

much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls without dialing access codes, while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has thus far received extensive comment on the billed party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal before taking final action on it. We will incorporate your letter, including the letter from your constituent, in the record of this proceeding so that it may be accorded proper consideration by Commission staff.

Cheryl A. Tritt

Chief, Common Carrier Bureau

WAYNE OWENS
UTAH - 2nd DISTRICT

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## Congress of the United States House of Representatives

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August 19, 1992

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Ms. Donna Searcy, Secretary Federal Communications Commission 1919 M St., N.W. Room 222 Washington, D.C. 20554

Re: CC Docket No. 92-77

REC.

ERGICLATUR AFFAIRS

Dear Ms. Searcy:

Attached please find a copy of a letter from Mr. Craig N. Johnson of Tataka Company in Salt Lake City, Utah.

I encourage you to give Mr. Johnson's concerns fair and appropriate consideration.

With best regards,

Condially,

Wayne Owens

cc: Craig Johnson

WO:rm enclosure



## "Fight to the Finish"

2011 West 1700 South #1 • Salt Lake City, Utah 84104 Phone: (801) 977-0065 • Fax: (801) 977-0060

Ms. Donna Searcy, Secretary Federal communications Commission 1919 M Street, N.W. Room 222 Washington, D.C. 20554 August 19, 1992

Re: 92-77

Dear Ms. Searcy

I am writing in response to "Billed Party Preference". TATAKA is a provider of both public telephones and inmate phone service to correctional facilities throughout Utah and Idaho. Billed party preference should not apply if adopted to inmate phone service.

Correctional facilities are a unique environment that requires a great deal of control for both fraud and inmate control within the facility. Numerous facilities have expressed their concern that if an inmate where to have "Billed Party Preference" they would be forced to discontinue inmate phone service.

The current means of handling inmate phone service has proven to greatly reduce fraud and control the environment. Such features as call blocking, call screening, duration limits, time of day blocking and immediate availability of numbers called has proven to be very valuable to the correctional environment.

We strongly encourage the Federal Communications Commission not to adopt "Billed Party Preference". And especially not in the correctional facilities.

Regards

Craig N. Johnson

cc: Senator Jake Garn
Senator Orrin Hatch
Congressman James V. Hansen

Congressman Wayne Owens
Congressman William Orton

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